

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6684**

**BILL NUMBER:** SB 217

**NOTE PREPARED:** Dec 26, 2007

**BILL AMENDED:**

**SUBJECT:** Human and Sexual Trafficking.

**FIRST AUTHOR:** Sen. Simpson

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

*Court Orders:* It allows a court to order the: (1) dissolution or reorganization of; or (2) suspension, revocation, or forfeiture of a license, permit, charter, or prior approval granted by an agency of the state to; a corporation, a limited liability company, a partnership, or an unincorporated association if an agent of the corporation, company, partnership, or association commits a human or sexual trafficking offense while acting within the scope of the agent's authority.

*Defense:* The bill provides that it is a defense that a person who engaged in criminal conduct did so because the person was a victim of a human or sexual trafficking offense.

*Felony Offenses:* The bill makes it promotion of human trafficking, a Class B felony, for a person to recruit, harbor, or transport another person by force, threat of force, or fraud to force the other person into appearing in a state of nudity or engaging in or participating in an obscene performance or a performance that is harmful to minors.

It makes it human trafficking, a Class C felony, for a person to pay, offer to pay, or agree to pay money or other property to another person for an individual whom the person knows has been forced into appearing in a state of nudity or engaging in or participating in an obscene performance or a performance that is harmful to minors.

It also makes it promoting prostitution, a Class C felony, for a person to sell or offer to sell travel services

that include or facilitate travel for the purpose of patronizing a prostitute in Indiana or another jurisdiction.

*Client Criminal and Marital History:* The bill requires an international matchmaking organization to provide a copy of a client's criminal history information and marital history declaration and certain other information to a recruit of the organization in the recruit's native language and English.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** *Summary* - The bill potentially increases the number of convictions for human trafficking as a Class B or a Class C felony, and for promoting prostitution, a Class C felony, by adding to the conditions that constitute the crimes. (All of these crimes may receive an enhanced sentence if the victim is under 18 years of age.) The bill also establishes a Class A infraction for an international matchmaking organization failing to provide required information which may increase revenue to the state General Fund. However, the bill could decrease the number of offenders convicted of various other unspecified crimes by including a new defense to culpability.

*Felony Offenses:* A Class B felony is punishable by a prison term ranging from 6 to 20 years, and a Class C felony is punishable by a prison term ranging from 2 to 8 years, depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$19,185 in FY 2007. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The estimated average cost of housing a juvenile in a state juvenile facility was \$63,138. The average length of stay in Department of Correction (DOC) facilities for all Class B felony offenders is approximately 3.7 years, and the average length of stay for all Class C felony offenders is approximately 2 years.

*Court Orders:* If the court orders an additional penalty against an entity when an agent of the entity, acting within the scope of the agent's authority, commits a human or sexual trafficking offense, the Office of the Secretary of State could incur additional administrative costs.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** *Felony Offenses:* If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B felony is \$10,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 criminal costs fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$17), public defense administration fee (\$3), court administration fee (\$3), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

*Client Criminal and Marital History:* The bill establishes a Class A infraction for an international matchmaking organization failing to provide a copy of a person's criminal history information and marital history declaration, and copies of relevant federal and state laws and assistance programs concerning immigration, domestic violence, and human sexual trafficking in a recruit's native language and in English. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class A infraction is \$10,000, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$17), the public defense administration fee (\$3), the court administration fee (\$3), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:** *Felony Offenses:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

**Explanation of Local Revenues:** *Felony Offenses and Client Criminal and Marital History:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 criminal costs fee or the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of the criminal costs fee. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

**State Agencies Affected:** Department of Correction.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Indiana Sheriffs' Association, Department of Correction.

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